



UK Contact Centre Verticals: Finance

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UK Contact Centre Vertical Markets: Finance (2023)

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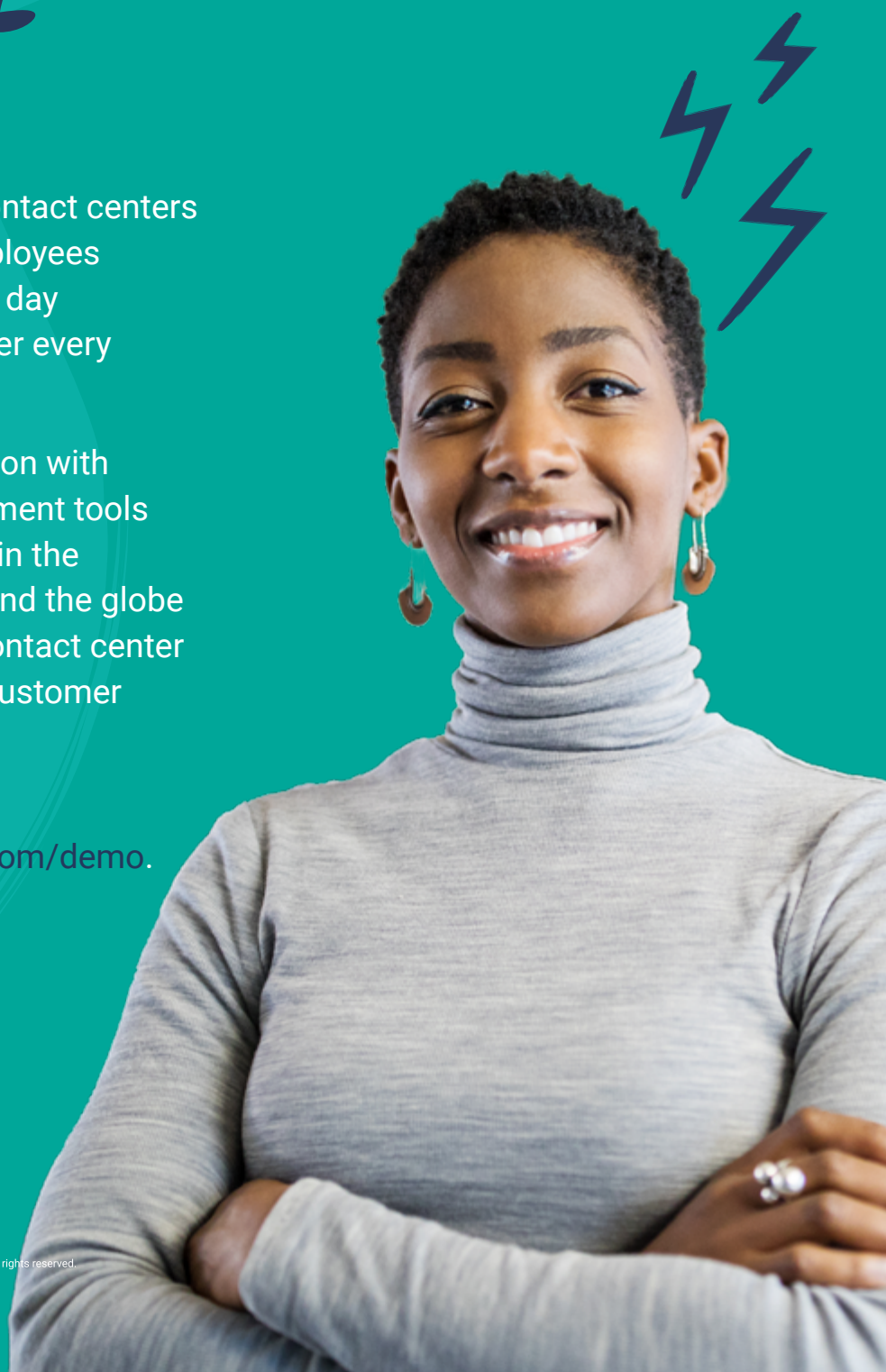


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UK FINANCE CONTACT CENTRES: EXECUTIVE SUMMARY & OUTLOOK

After 2007, the banking sector in particular experienced significant changes to its contact centre operations, seeing a decline in agent positions due both to outsourcing of the domestic and offshore varieties, as well as cost-cutting, merger and consolidation exercises. Recently, there has been much repatriation from offshore, but growth has been mainly organic within existing operations. More recent years have seen considerable cost-cutting and consolidation across branches and back offices in particular as more customers move to digital self-service.

Generally, there are increasing levels of technological investment being seen in this sector, and while the complex nature of some of the work may be less suited to online self-service, with a large proportion of financial services customers wanting to speak with banks and insurers for reassurance and compliance, there is increasing customer familiarity with self-service and digital channels, with web chat now often being seen. The use of voice biometrics for customer identification and fraud reduction is also growing.

There is a need for personalised communication within this sector, which will often include cross-selling and upselling on inbound services calls (which are witnessing longer call lengths as a result), with finance organisations seeing significant revenue accruing from this.

Many of the largest contact centre operations are still within this vertical market (around 20% of all 250+ agent position contact centres are finance operations). Several suppliers of contact centre solutions have estimated that the finance sector provides around one-third of their total revenues.

For the finance sector, there has been a strong culture of considering consolidation and rationalisation in order to cut costs driven by reduced profits, originally driven by the financial crisis, and more recently because of exceptionally low interest rates which affected profits. The rise in interest rates will have a particularly beneficial effect on large high street banks with many current account customers who receive very limited interest on their money in any case, although mortgage lending will be curtailed for some time.

There has been a response to cut bank branches, although this has not greatly impacted the contact centre sector. The overall number of agent positions has held up to a great extent as the complex and secure business of the finance sector did not naturally encourage a high proportion of inbound interactions from existing customers to be via digital channels, as many transactions require identification and authentication, for which social media or web chat were not seen as suitable vehicle. It should be noted now that many banks now offer web chat and to a lesser extent, social media customer service.

However, continued rises in self-service, mobile banking, loan and credit card comparison sites and online banking means that the typical call dealt with by the finance sector is becoming more complicated and requires greater skills from the agent. Recent announcements by banks show some interest in video agents too, especially for high net-worth customers. Increased customer familiarity with video calls will make this channel a reality for some businesses.

Business and consumer appetites for borrowing money is usually lower in a uncertain environment: the 2008 economic crash made many customers deleverage their debt, which again impacts upon banks' profitability, and consumer and business confidence is very low coming into 2023.

INTRODUCTION

“UK Contact Centre Verticals: Finance” looks at the structure, growth, technology, HR and commercial issues found in contact centres within the UK finance sector, which includes banks, credit card companies, building societies, collection agencies and credit reference agencies. It does **not** include any data or analysis from offshore contact centre operations.

It contains data from multiple large-scale surveys of hundreds of UK contact centres, and is the definitive study of this vertical market’s customer contact operations.

The “UK Contact Centre Verticals” series of reports are free of charge to readers. Research and analysis costs are borne by sponsors – contact centre and customer experience solution providers – whose advertisements, case studies and thought leadership pieces are included within these reports.

Sponsors have not had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

Please note that statistics within this report refer to the UK industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent US statistics.

To comply with the usual protocol of market analysis, years are reported as year-end (i.e. the 2022 figures refer to the end of 2022) unless stated otherwise.

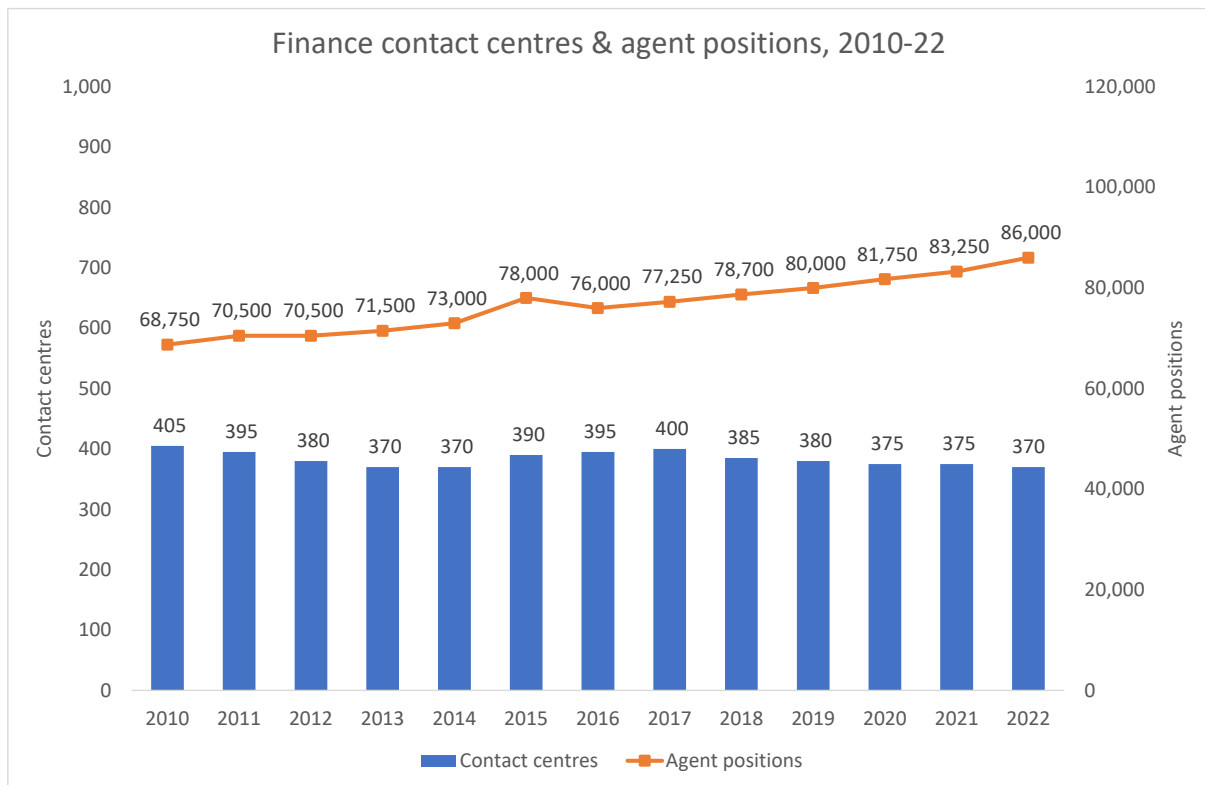
MARKET SIZING

STRUCTURE

The finance sector has increased by around 20% in terms of agent positions in the past ten years.

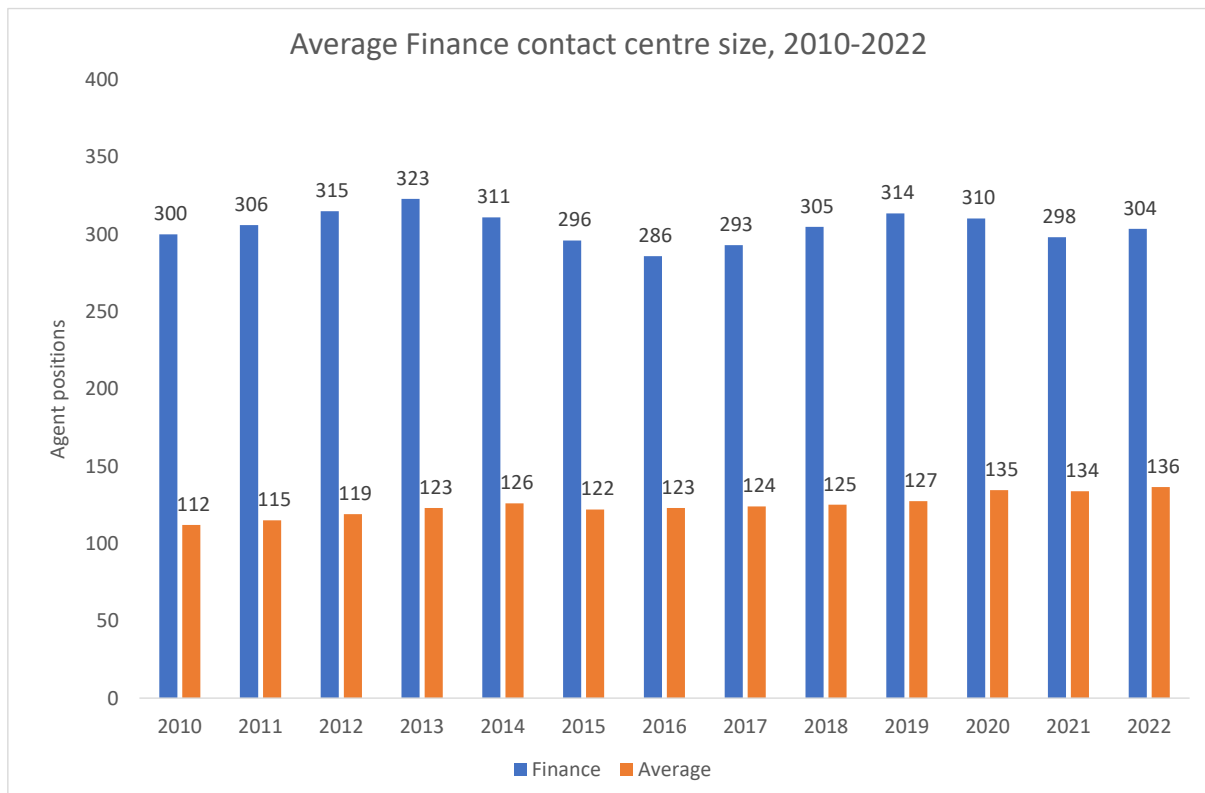
The number of physical contact centres is now declining slowly due to consolidation, cost-cutting and the rise of at-home agents.

Figure 1: Finance contact centres and agent positions, 2010-2022



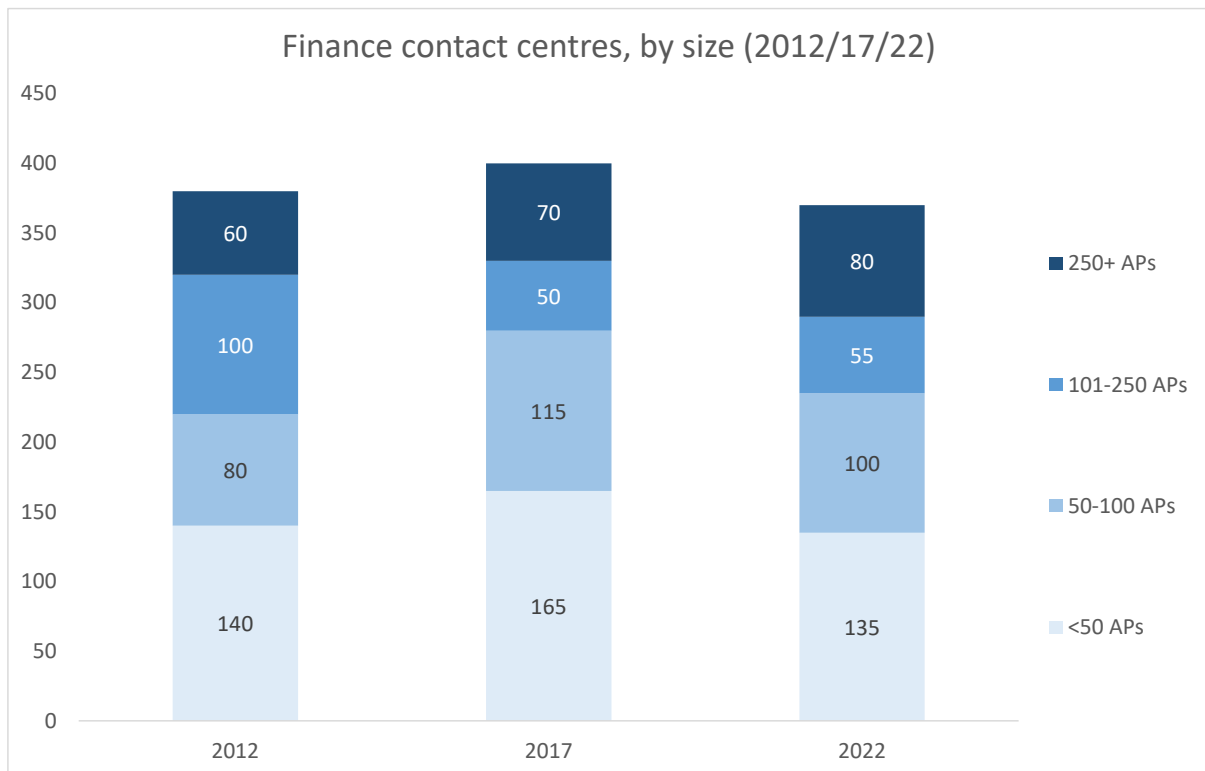
Finance contact centres tend to be considerably larger than the UK average, and the average size has remained around the 300-seat mark.

Figure 2: Average Finance contact centre size, 2010-2022



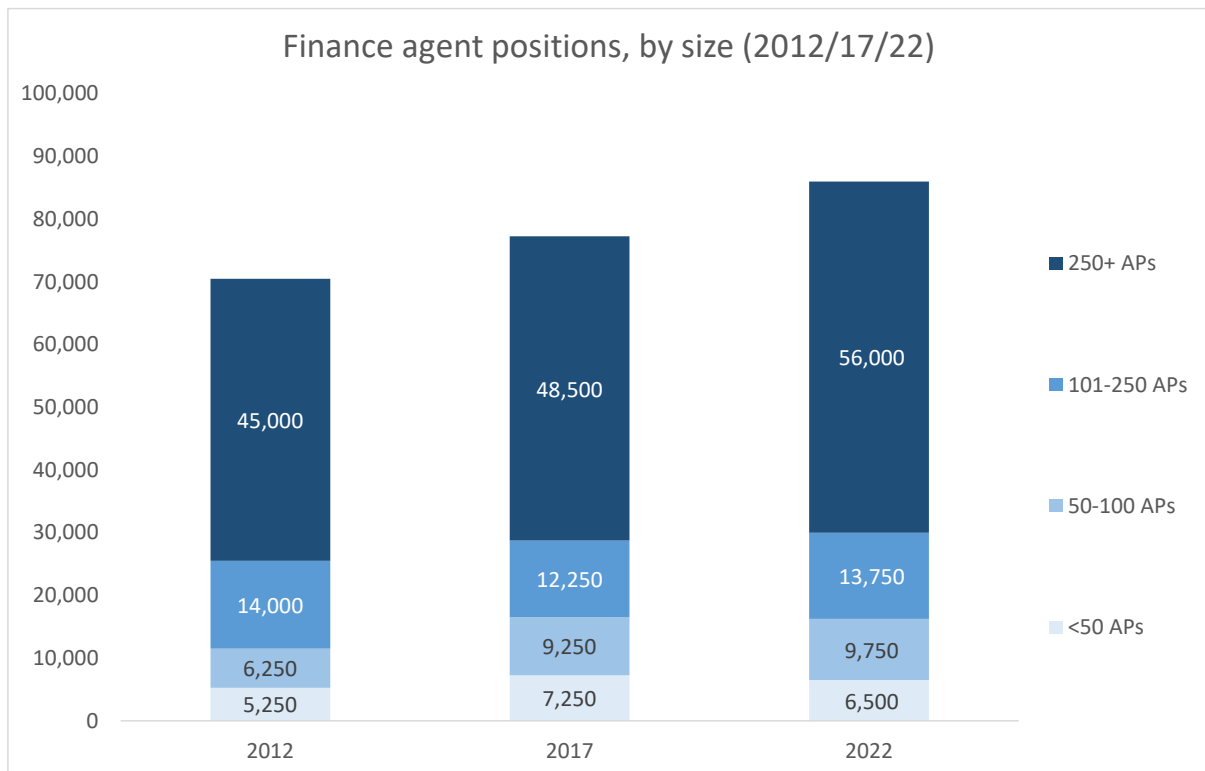
Unlike many in-house sectors, the finance contact centre industry is less heavily weighted towards smaller operations, with some very large operations working in this sector.

Figure 3: Finance contact centres by size, 2012 / 17 / 22



Employment in UK finance contact centres is strongly focused towards large operations, unlike many vertical markets which are more heavily weighted towards the smaller contact centres.

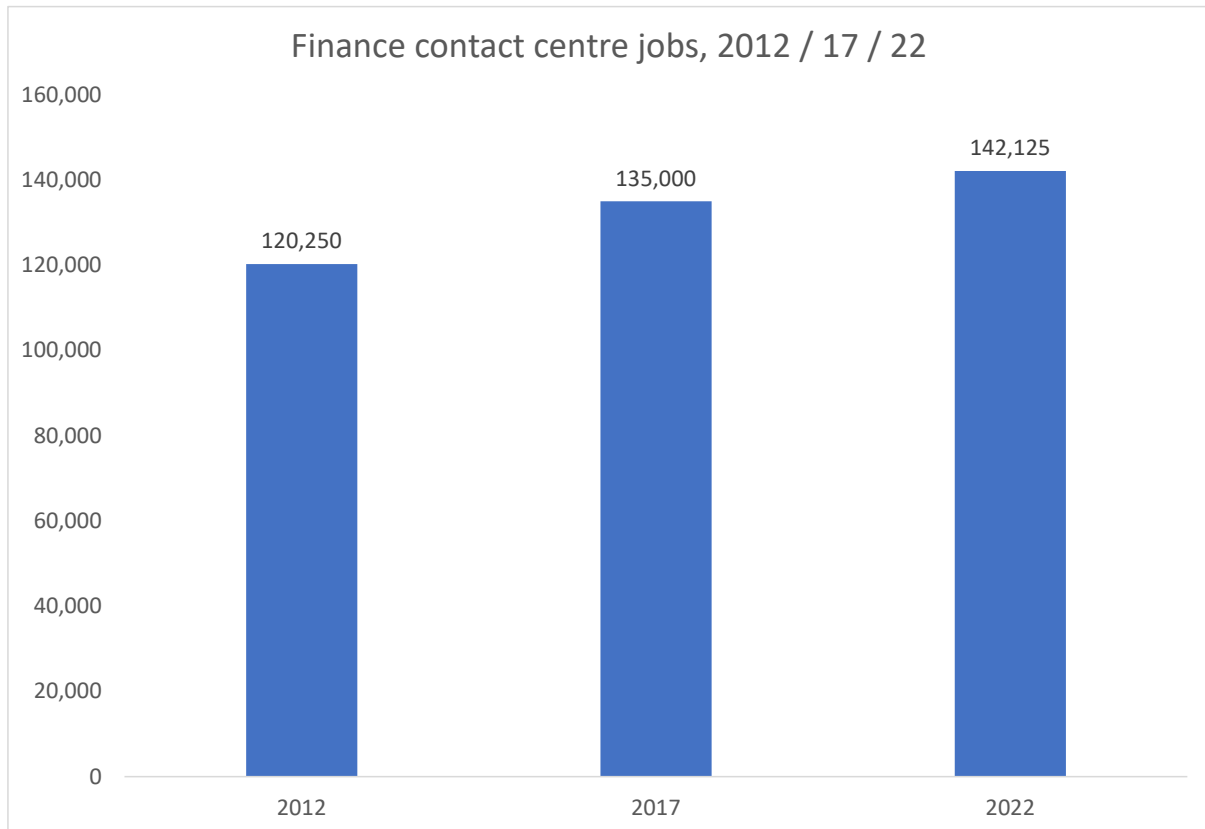
Figure 4: Finance agent positions by size, 2012 / 17 / 22



There had been significant growth in jobs associated with finance contact centres since the banking crisis and resultant economic downturn. Employment figures will start to flatten, mainly due to self-service.

The sector currently employs around 7,000 more people than it did in 2017.

Figure 5: Finance contact centre jobs by size, 2012 / 17 / 22



GROWTH

Finance contact centres have seen a growth in agent positions, although we expect the increased customer familiarity with self-service and improved sophistication of automated digital service to have a negative effect on agent positions.

Industry consolidation, cost-cutting and the closure of some sites due to a hybrid work-from-home model being employed means that a decline in physical contact centres is also expected.

Figure 6: Finance – agent positions and contact centre forecasts, 2022-26

	2022	2026	Finance CAGR	Average CAGR
Agent positions	86,000	81,500	-1.3%	-0.5%
Contact centres	370	355	-1.0%	-0.8%

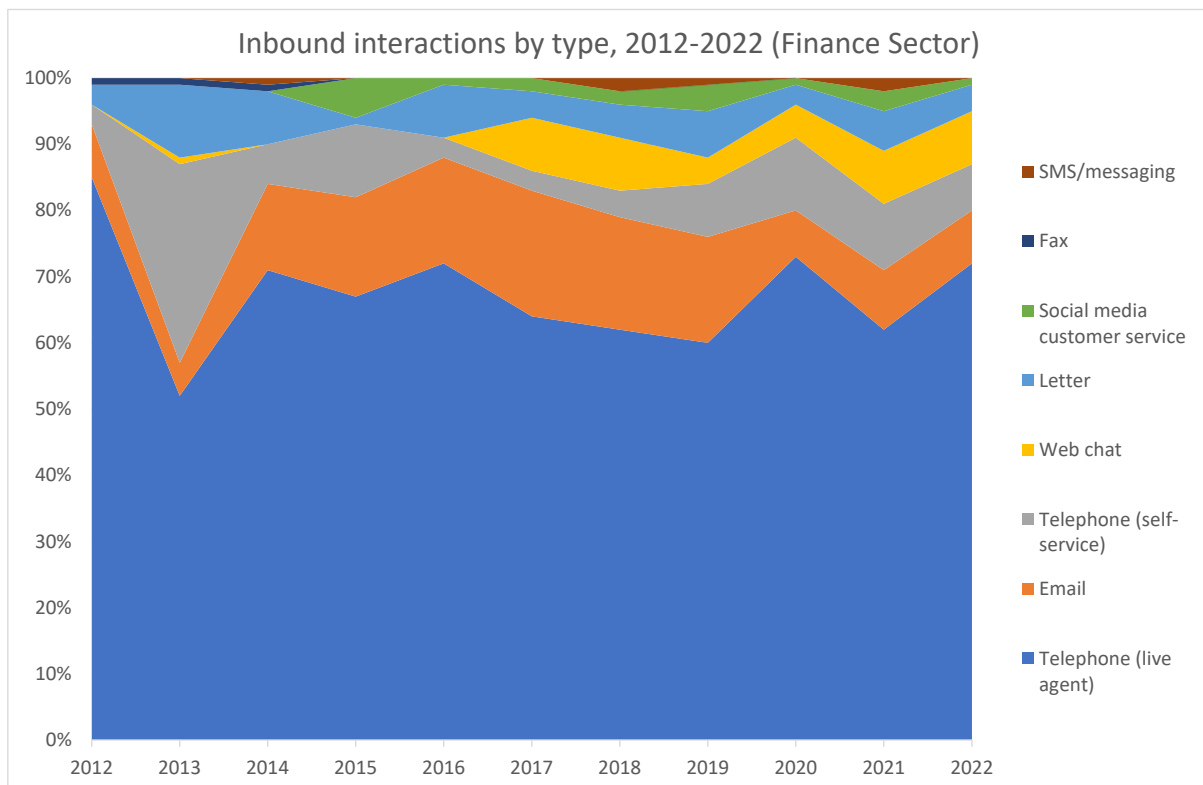
THE USE AND EFFECT OF OMNICHANNEL

Email rose in importance very considerably in the late 2010s, although new digital channels such as social media are yet to take off in the sector as security and customer identity verification are absolute requirements. However, email seems to have tailed off somewhat in recent years, in favour of telephony and to a lesser extent, web chat.

Traditional media such as letters still play a part in the customer mix, and voice self-service is also significant. Although not shown, mobile and app-based self-service is increasingly strong.

It is noticeable in 2020 that customers reverted to live telephony, perhaps as they had complex requirements or needed the reassurance of speaking with someone, and this channel is still very important for the finance sector.

Figure 7: Contact centre inbound interactions by channel, 2012-2022 – Finance Sector



Channel	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Telephone (live agent)	85%	52%	71%	67%	72%	64%	62%	60%	73%	62%	72%
Email	8%	5%	13%	15%	16%	19%	17%	16%	7%	9%	8%
Telephony self-service	3%	30%	6%	11%	3%	3%	4%	8%	11%	10%	7%
Web chat	0%	1%	0%	0%	0%	8%	8%	4%	5%	8%	8%
Letter	3%	11%	8%	1%	8%	4%	5%	7%	3%	6%	4%
Social media customer service	0%	0%	0%	6%	1%	2%	2%	4%	1%	3%	1%
Fax	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
SMS / messaging	0%	0%	1%	0%	0%	0%	2%	1%	0%	2%	0%

THE REAL VALUE OF AN OMNICHANNEL STRATEGY

Six ways to improve your omnichannel experience

Customers expect fluid journeys that require minimal effort — and seamless transitions when they need to switch channels. But that's not the main goal of an omnichannel strategy. And it isn't what makes it so valuable.

The real value lies in the operational control and visibility it creates for you. It empowers your organization with a broader view of the customer; new insights into their behaviors and intent; and the perfect platform to orchestrate their journeys.

To orchestrate satisfying omnichannel experiences, focus on these six areas.

360-degree visibility

Eliminate blind spots for agents and bots. A full view of the customer history across channels and time provides the context you need to know the customer, understand intent and deliver a personalized experience.

Unified agent desktop

Agents manage interactions across channels from the same screen. With convenient access to customer data, conversation history and the knowledge base, they can focus on the conversation instead of hunting for information.

Integrated data for deeper insights

Data silos become a thing of the past. Interaction data across channels is connected with systems of record to inform analytics for deeper insights, journey measurement and experience orchestration.

Common routing and handoff

Ensuring customers reach the right resource to meet their needs is critical. A shared strategy for routing and handoff across channels matches customers with the right resource and information at the right time.

Shared knowledge base

A single robust knowledge base drives self-service options, bot conversations and agent interactions. Insights into knowledge use and effectiveness drive optimization to improve the experience on all channels.

Consistent experience on every channel

Customers have a consistent experience no matter what channel they choose — and a seamless transition when they switch channels or pause and resume a conversation later. Across channels, your brand speaks with one voice.



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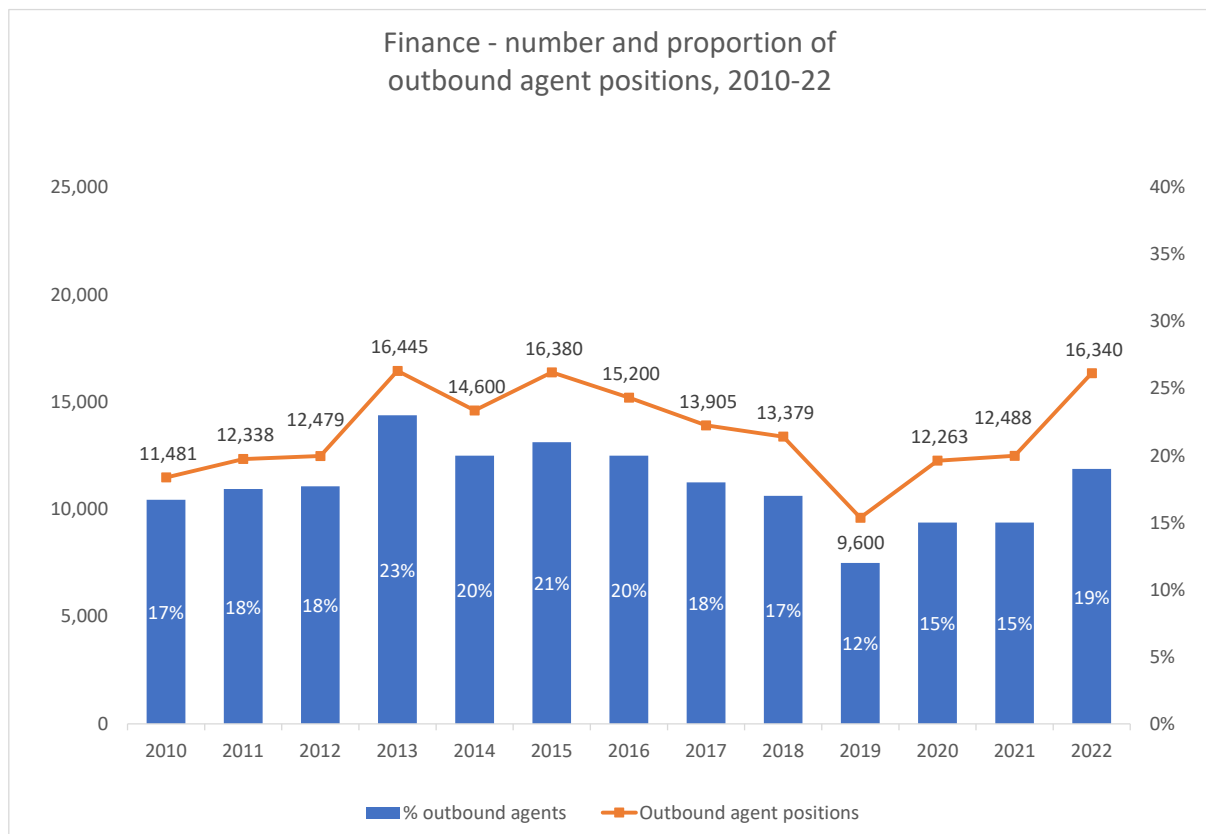
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INBOUND & OUTBOUND ACTIVITY

The finance sector has in the past been more focused on outbound activity, and the proportion of outbound work had dropped significantly between 2015 and 2021, with a rebound in 2022. It is too early to tell whether this is a structural change in the finance industry or a statistical one-off.

The sector still accounts for over 16,000 outbound equivalent agent positions.

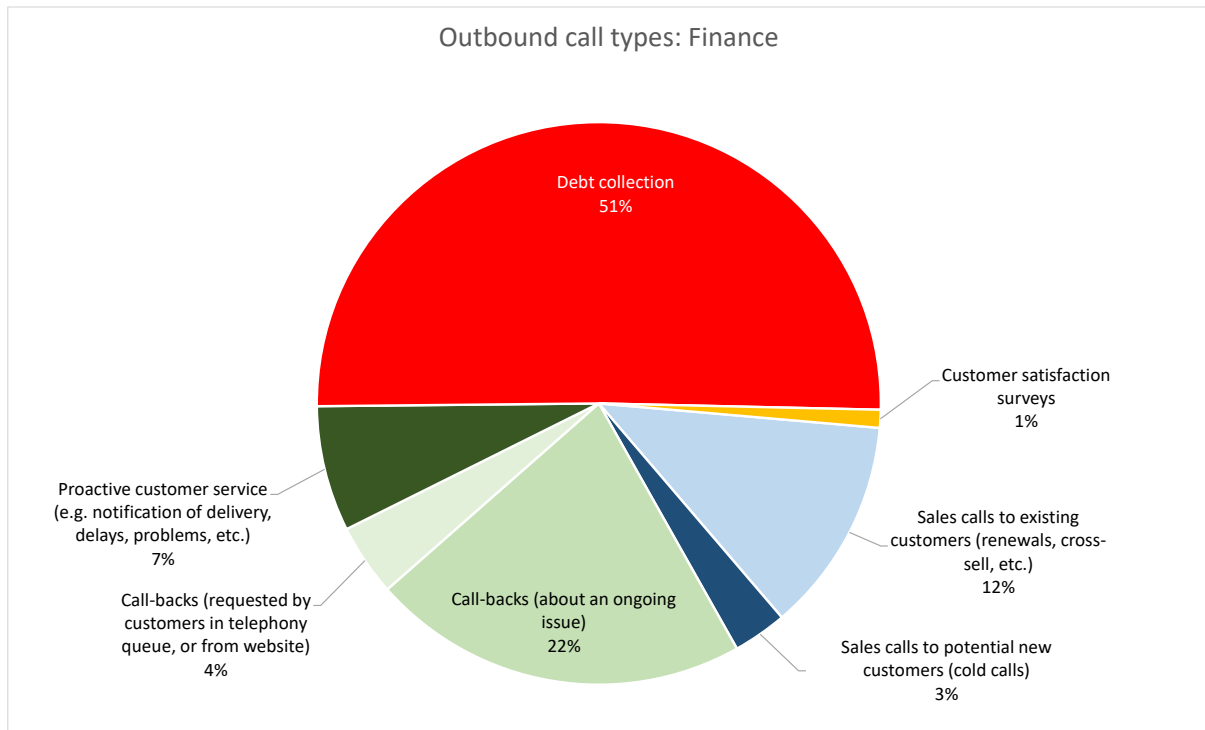
Figure 8: Finance - number and proportion of outbound agent positions, 2010-22



There has been a definite movement away from sales-focused calls, towards proactive outbound service notifications about ongoing issues, and also some call-backs from requests made within the telephony queue or from the website.

However, finance survey respondents are very focused upon debt collection, which may be a statistical anomaly connected with the business of these companies.

Figure 9: Outbound call types: Finance

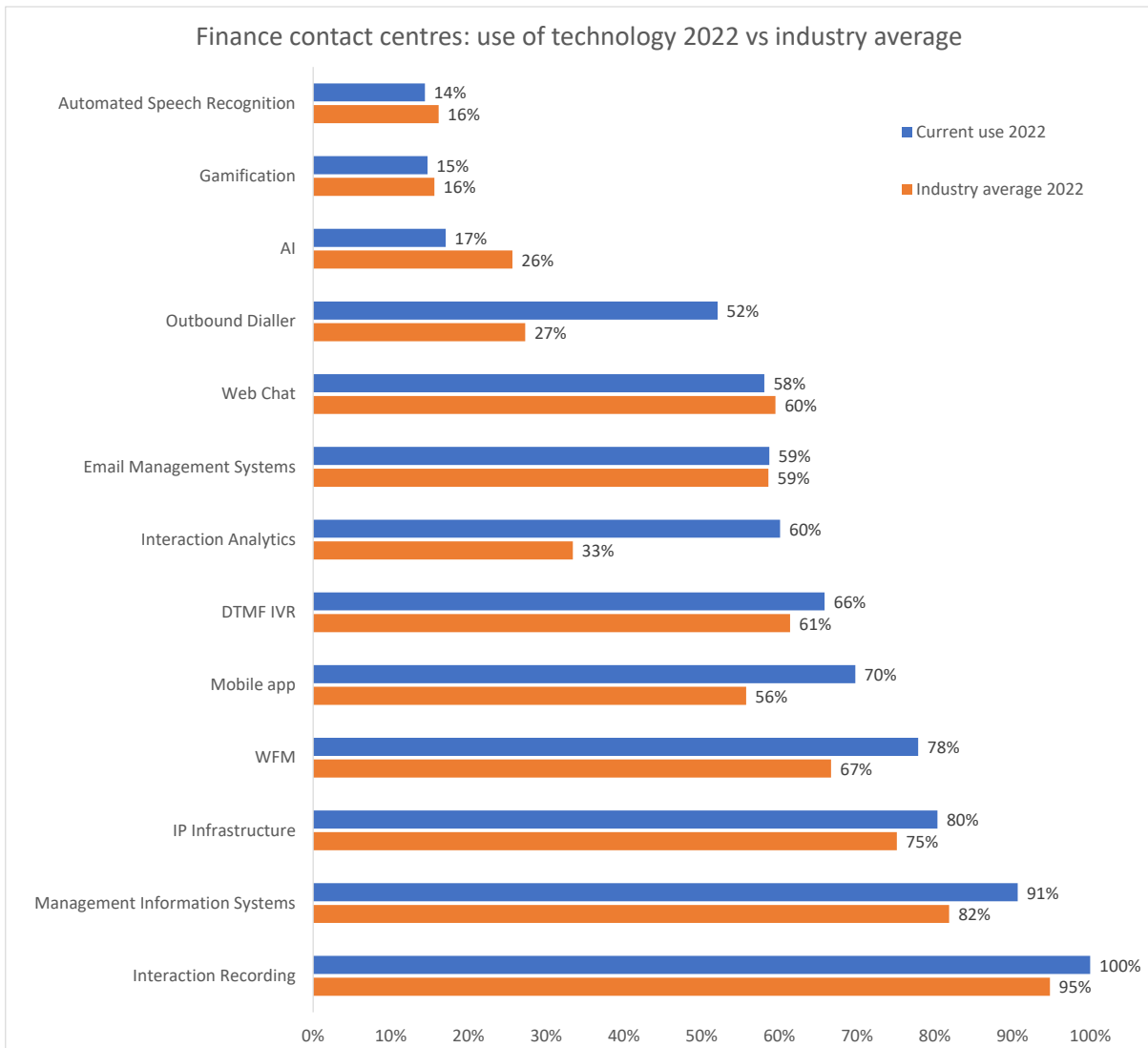


TECHNOLOGY

Interaction recording is ubiquitous in finance contact centres, with workforce management, MIS and IP infrastructure also used by a large majority of survey respondents.

Interaction analytics is much more used by survey respondents in this sector than in the industry as a whole, as finance companies look for competitive advantage through newer solutions, as well as using it for compliance.

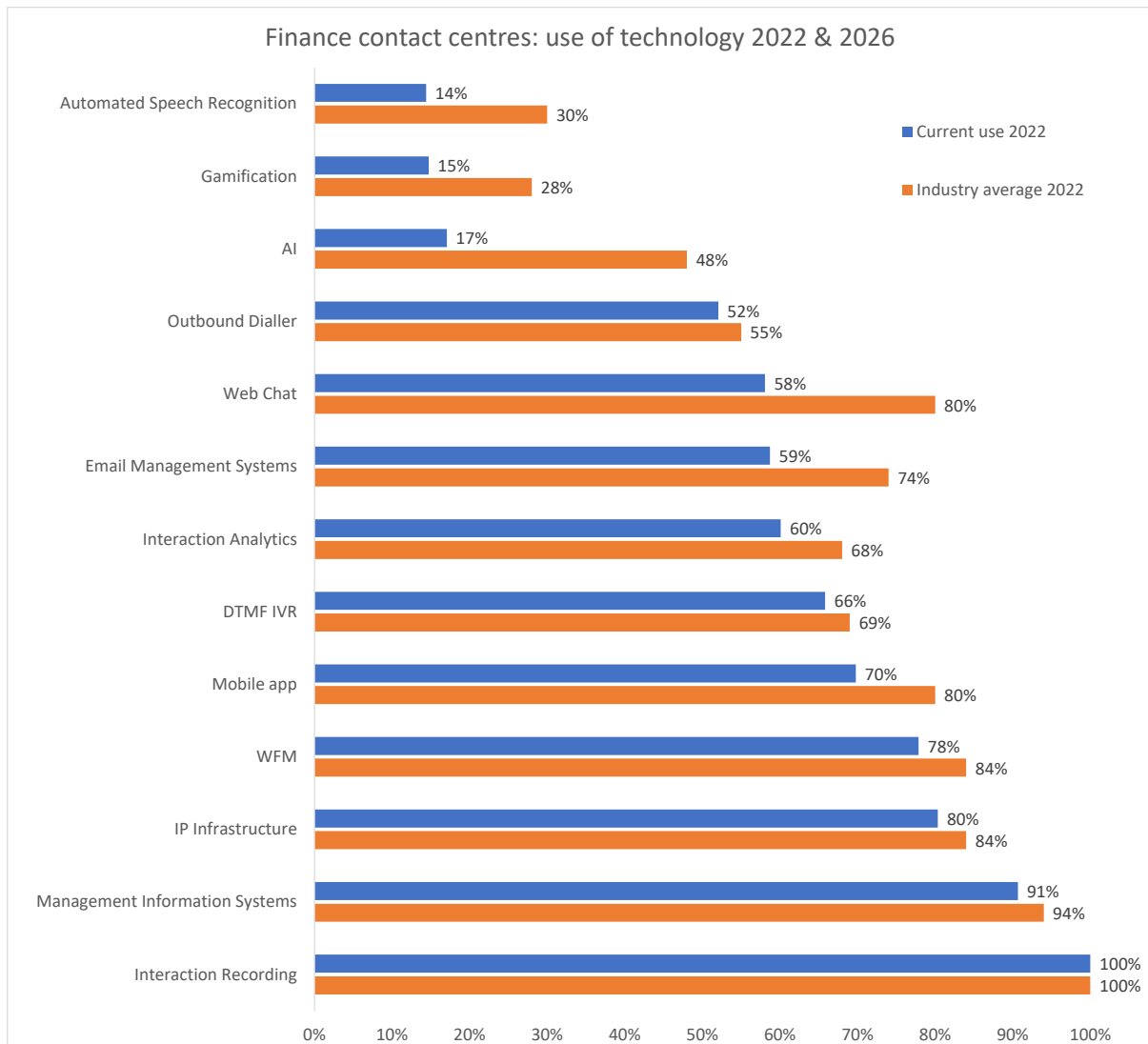
Figure 10: Finance contact centres: use of technology, 2022 (vs. industry average)



The greatest expectation of technology growth – and expectation should not be confused with what the reality is likely to be – comes from AI, web chat and speech recognition (for self-service, routing and customer authentication).

As the average size of finance contact centres is considerable, the sector also shows interest in implementing gamification.

Figure 11: Finance contact centres: use of technology, 2022 & 2026



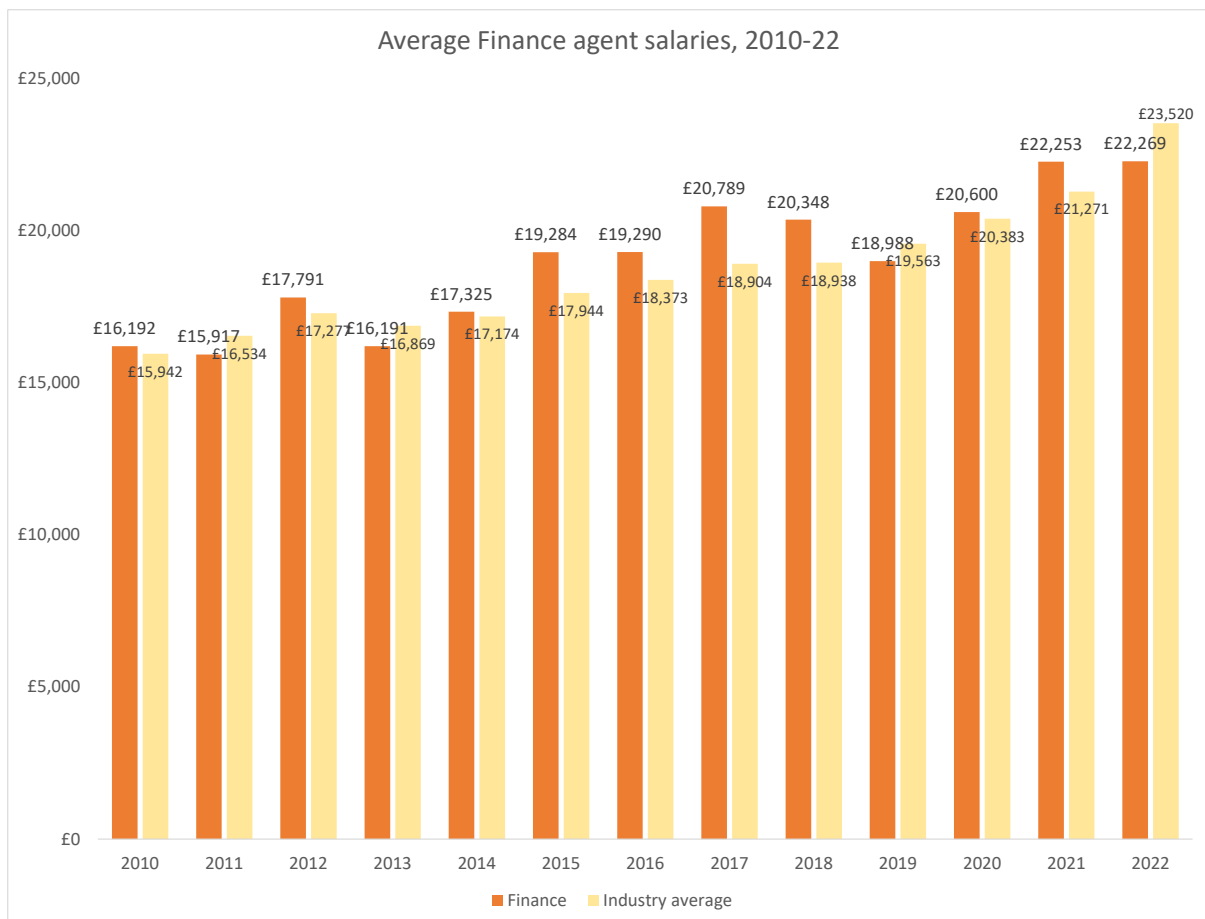
HUMAN RESOURCES

SALARIES

The salary figures below are calculated by adding together the average salary paid to new agents and to experienced agents, and dividing by two.

Finance agents have generally been reported to be paid more than the industry average in the majority of years studied, although 2022 figures show that the sector did not increase salaries to the same extent as the wider industry.

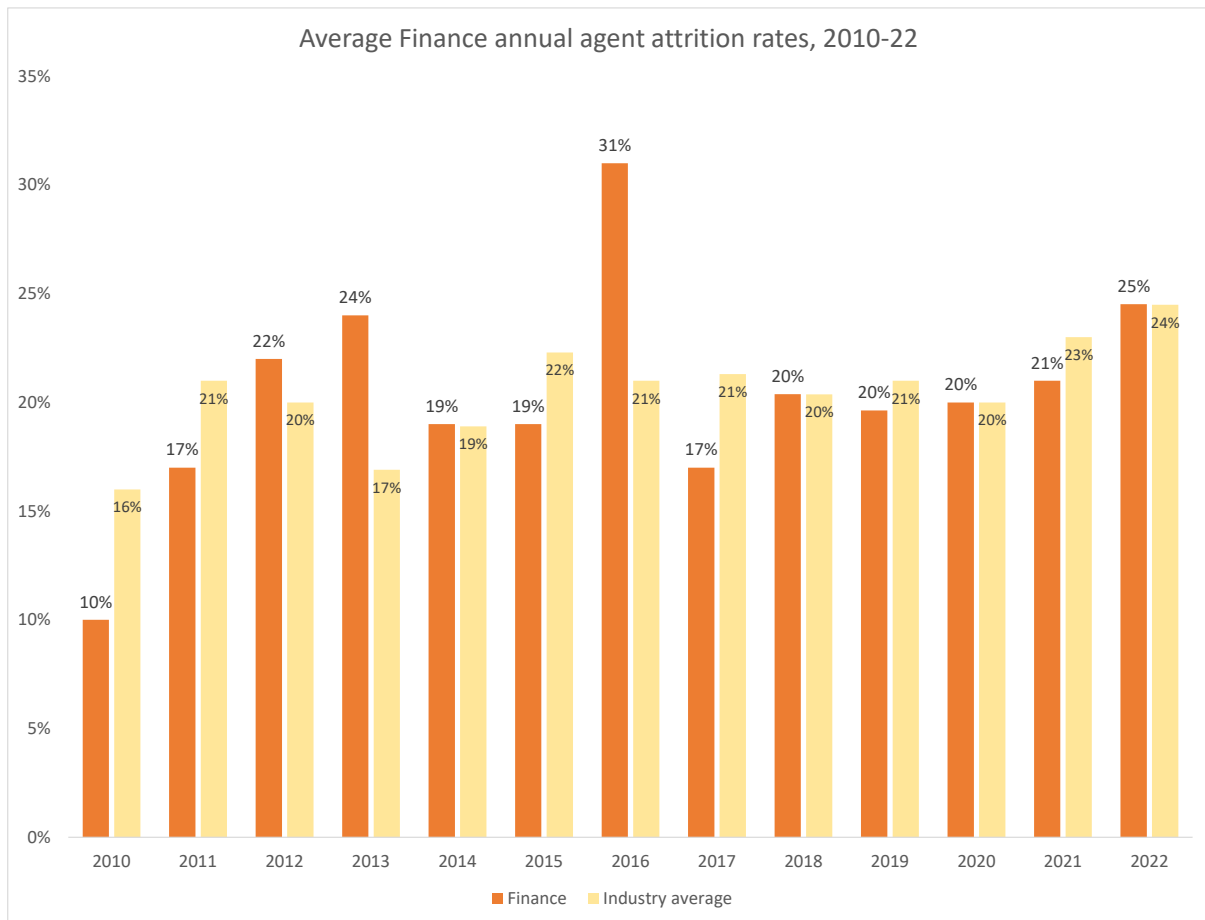
Figure 12: Average Finance agent salaries, 2010-22



AGENT ATTRITION

Apart from 2016’s statistical anomaly, finance contact centres generally report a similar attrition rate to the industry as a whole.

Figure 13: Average Finance annual agent attrition rates, 2010-22

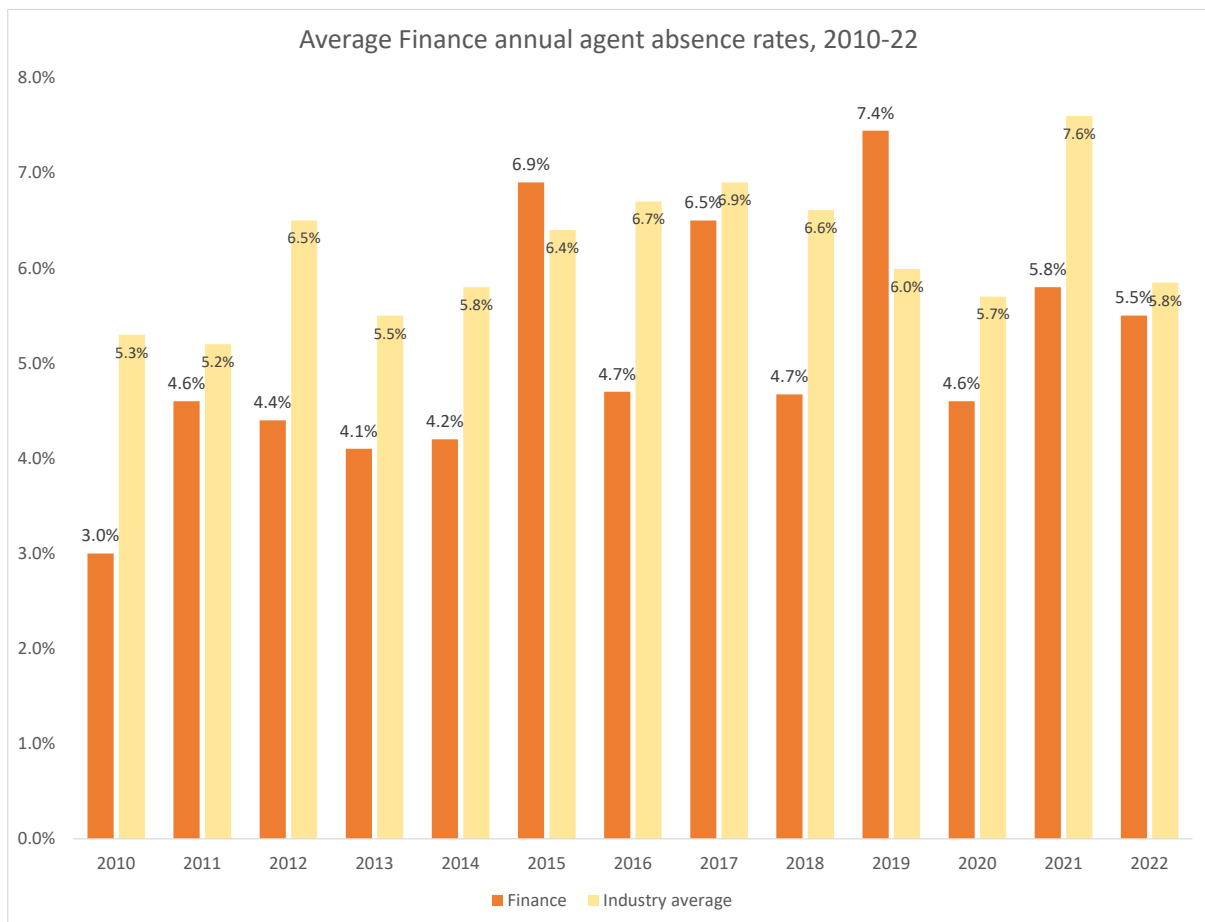


AGENT ABSENCE

For most of the years studied, finance agent absence rates have been below the contact centre industry average.

Even in pandemic times, absence rates were much lower than the UK contact centre sector as a whole.

Figure 14: Average Finance agent absence rates, 2010-22



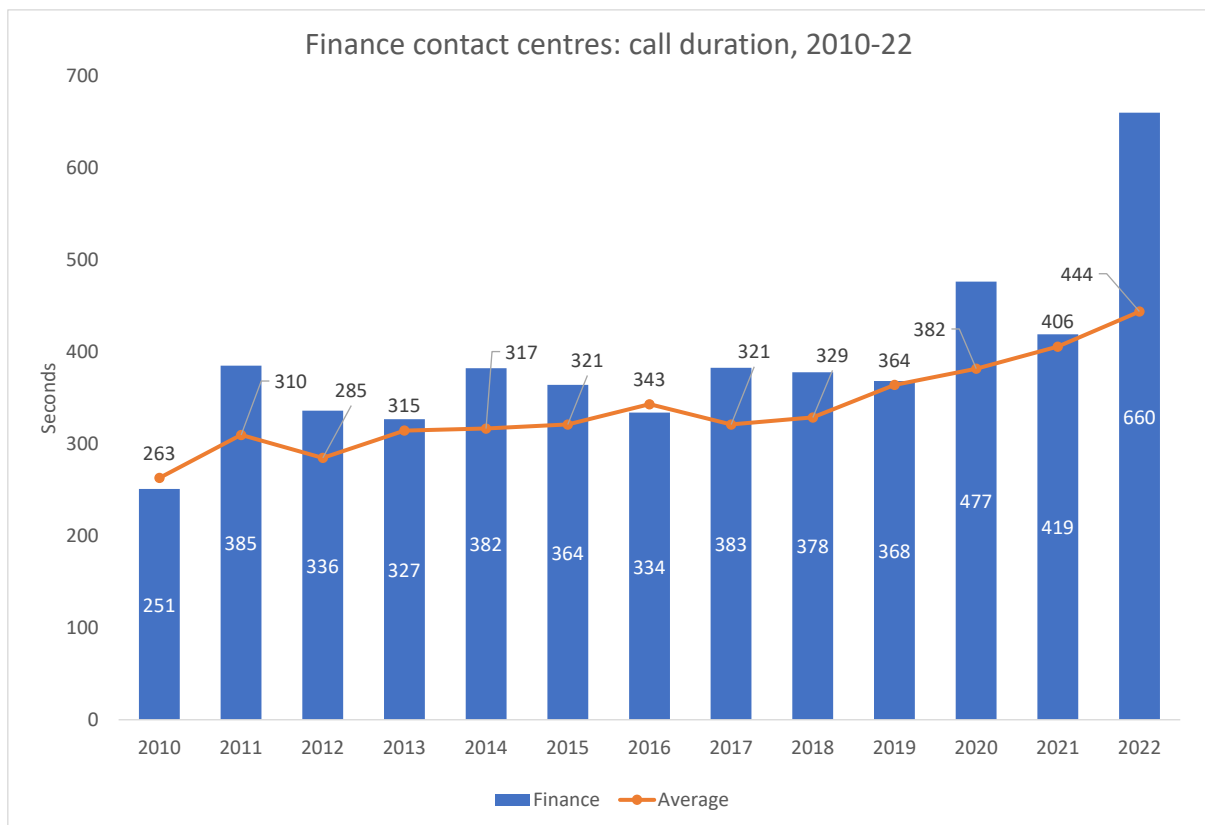
OPERATIONAL BENCHMARKING

CALL DURATION

Average finance call lengths are considerably higher than the UK average in 2022, perhaps suggesting that the types of call being handled are more complex than they used to be as self-service handles much of the simpler requests.

For most of the previous years studied, finance call durations have been a little higher than the industry average.

Figure 15: Finance contact centres: call duration, 2010-22



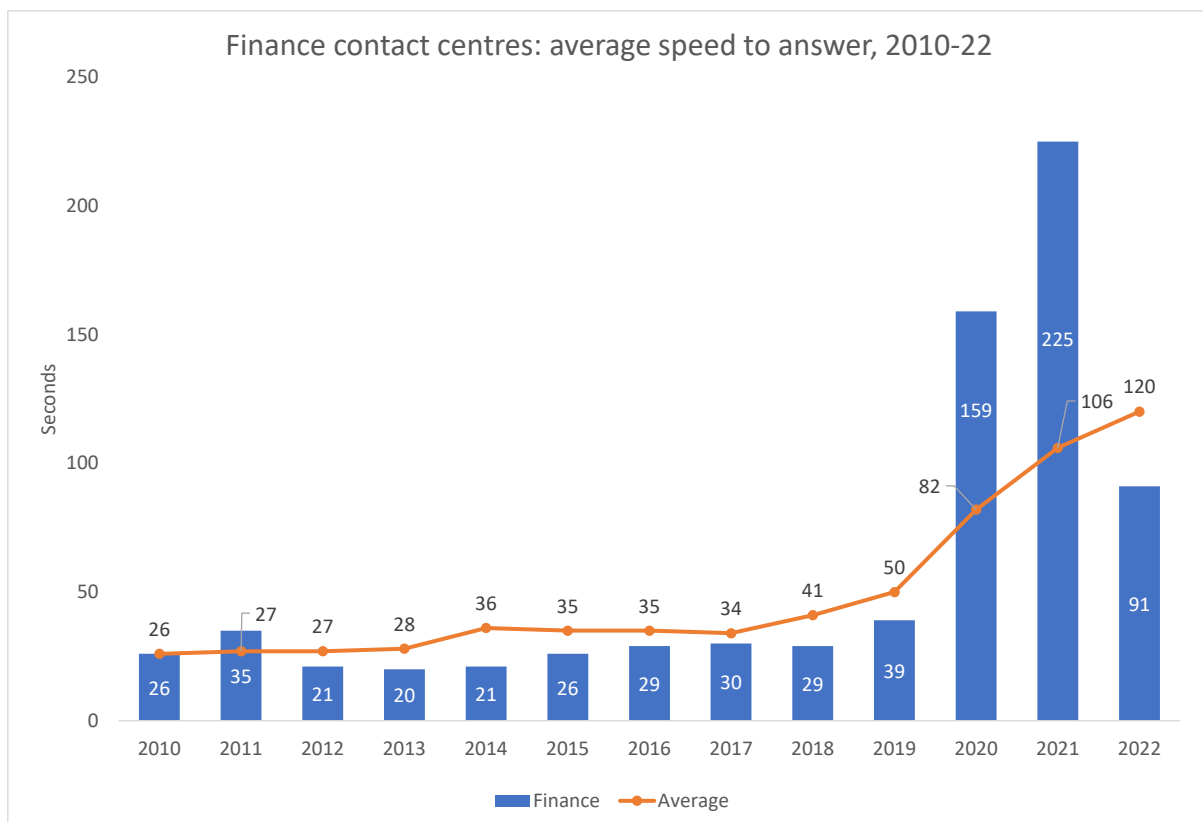
SPEED TO ANSWER

Speed to answer is still one of the most important factors to customers calling a contact centre, so a quick answer is beneficial to the customer experience as a whole.

Finance contact centres place strong emphasis on avoiding call abandonment and thus losing a sale or damaging their service levels, and from 2011 to 2019, the sector's speed to answer was much lower than the UK average, although 2022's figure may be cause for alarm moving forward.

The pandemic meant that many contact centres were simply unable to deliver a normal standard of service, with the finance sector's average speed to answer going up by 64% in 2020. We would hope to see speed to answer dropping considerably in 2023.

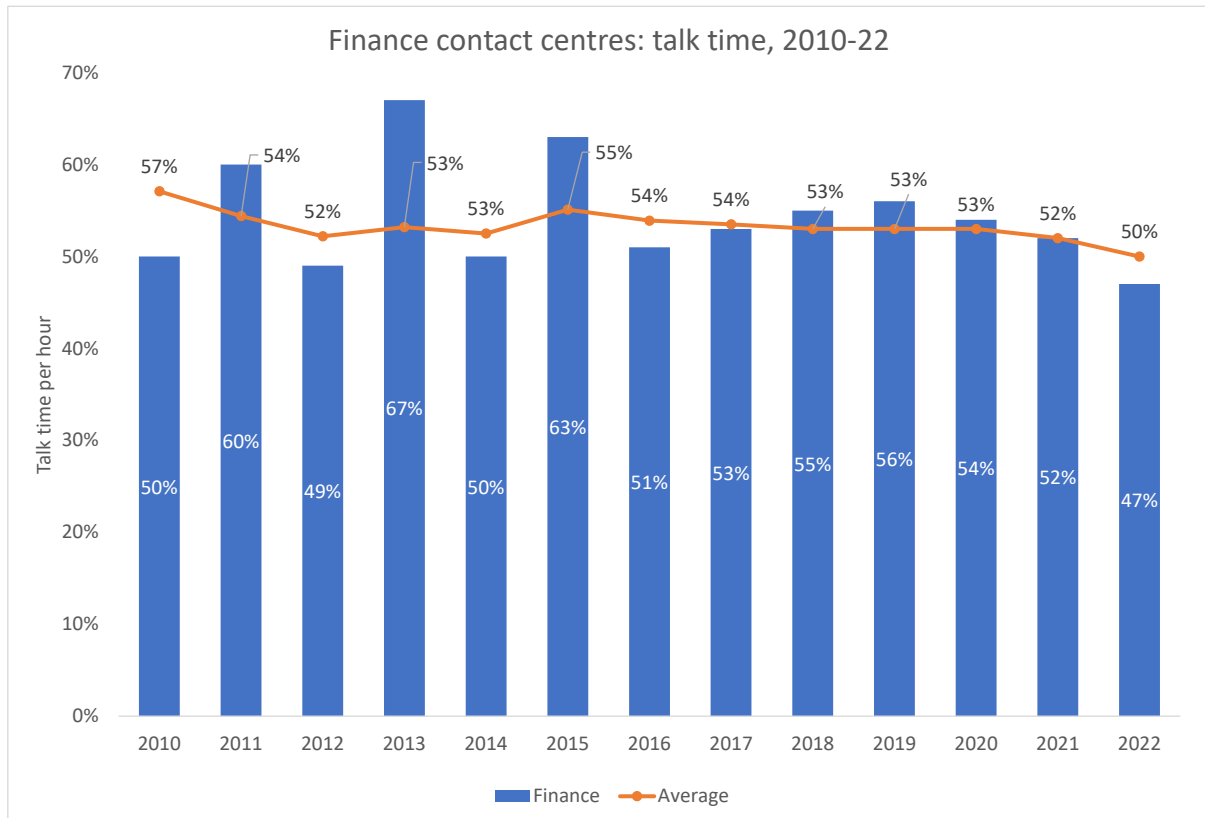
Figure 16: Finance contact centres: average speed to answer, 2010-22



TALK TIME

The proportion of time spent actually talking to customers has been close to the industry average since 2017, although recent years' drop in talk time may be a result of higher levels of digital interactions that finance agents now handle, as well as complex post-call work.

Figure 17: Finance contact centres: talk time, 2010-22



ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

We help US and UK contact centres compare themselves to their closest competitors so they can understand what they are doing well, what needs to improve and how they can do this.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

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Website: www.contactbabel.com

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